



# The Pensioner: *Looking Forward*

Welcome to the digital MPERS newsletter! *The Pensioner: Looking Forward* contains news, updates, and important information for active employees of the Missouri Department of Transportation, the Missouri State Highway Patrol, and MPERS.

## Investment Update



The investment portfolio continues to perform well as COVID-19 vaccines are distributed and economic growth improves. The portfolio is now up an estimated 22% in Fiscal Year 2021 (July 1 – April 12), with additional gains expected as the calendar year 2020 audited financial statements are received in the private equity portfolio.

The fund balance continues to set new all-time highs and currently sits at \$2.82 billion. Given the strong momentum with vaccinations, there are very few warning signs of an economic pullback in the near term. Barring any unforeseen setbacks, Fiscal Year 2021 continues to look like a very good year for the portfolio.

# MPERS' Matters

## Contributions *PART 2*

In the March edition of *The Pensioner: Looking Forward*, the oversight formula was introduced:

$$C + I = B + E$$

**C = Contributions**

**I = Investments**

**B = Benefits**

**E = Expenses**

In part one of the contributions component of the oversight formula, we discussed the two key components of the employer's contribution rate:

1. the normal cost and
2. the unfunded liability.

Now the question is, how are the normal cost and the unfunded liability calculated? This is the job of the actuary. Actuaries are trained to evaluate financial risks related to the probability and timing of certain events occurring.

As previously discussed, employer contributions are based on a funding policy established by the Board of Trustees, which relies heavily on the recommendations of an actuary. The actuary makes a number of educated guesses about the details of covered members such as salary, length of career, length of life, and so on. The actuary uses these factors to arrive at a value of the benefits promised.

These guesses (i.e., projections) are rarely precise, and that is something that is expected by those who

use an actuary's services. The projections must, however, be reasonable enough to rely upon, or the funding of the system would be at risk. In order to verify these projections, an experience study is conducted at least every five years. An experience study compares the actuarial guesses to the System's actual experience. When there is sufficient disparity, the projections are modified accordingly.

Another important control for the actuarial process is an actuarial audit, which is usually completed every 7 to 10 years. MPERS' most recent actuarial audit was completed in 2020 and affirmed the process used by MPERS' actuary is reasonable and reliable.

To add some context regarding the oversight formula, as the C increases or decreases, the I must do the opposite to maintain the long-term balance of the formula. This concept will become clearer as we continue our MPERS' Matters series over the coming months.

If you would like to learn more about the actuary or view any of the actuarial reports, please select a link below.

[View the latest actuarial audit](#)

[View the 2020 actuarial valuation](#)

[View the latest experience studies](#)

Want more information about MPERS' funding? Click here!

Effective January 1, 2021, members who chose a joint and survivor payment option at retirement, then later divorced, can undo the survivor option as long as the requirements of the statute are met (including, but not limited to, the agreement of the ex-spouse).

Previously, if a member chose a joint and survivor payment option at retirement and later divorced, they could not change the payment option.

If you have questions about the new provision, [please see our website for more information.](#)



## Check Out This Month's Benefit Bite!

### Divorce and Your MPERS' Benefit

In the event of a divorce, your retirement benefit may be considered marital property and may be subject to a Division of Benefit Order.

What does that mean? Is it different if you divorce before or after retirement? How much can my ex-spouse be awarded?

*Disclaimer: On January 1, 2021, new legislation became effective that could impact the member's the joint and survivor election for those who divorce after retirement. This information is not mentioned in the video below. Please see the article above for more information.*

**Divorce and  
Your MPERS  
Benefit**





Active & Retired  
Missouri State  
Employees

## Would you like to retire one day?

Would you like to keep your employer-sponsored health insurance as a retiree?

Would you like to help protect these benefits and stay connected with your colleagues?

If you answered yes to any of these questions, then please consider joining Active and Retired Missouri State Employees (ARMSE).

ARMSE advocates for current and future retiree benefits when they are challenged or threatened and also helps keep active and retired state employees informed and up to date with any potential legislation that may impact retirement and health insurance benefits.

Want to know a little more about ARMSE? Here is some information to consider.

- ARMSE is an independent, non-profit association formed more than 50 years ago to help monitor the retirement and medical benefits offered by MOSERS, MPERS, MCHCP, and the MoDOT and Patrol Medical Plan.
- ARMSE membership includes both active employees and retired employees. The governing board consists of volunteers who are retired state employees. This group helps YOU.
- ARMSE members come from a variety of political persuasions and different corners of the state – the commonality is that members are state employees and retirees who have earned retirement and medical benefits.
- ARMSE was first created to help secure many of the benefits you enjoy today. In the early days, the focus was on enhancing the benefit package to ensure the benefits offered were sufficient to provide a secure retirement for members. Today, the focus is on preserving your retirement and medical benefits.

Every current and potential member of ARMSE plays an important role in the protection of your current and/or future retirement benefits. Please consider joining ARMSE today!

If you are interested in learning more about ARMSE or if you want to join, please select the button below. If you have specific questions for ARMSE, you can email them directly at [office@armse.org](mailto:office@armse.org).

[Learn more about ARMSE](#)

## Annual Benefit Statement Reminder



Active employee Annual Benefit Statements are now available in your [myMPERS](#) correspondence.

Reviewing your Annual Benefit Statement is a great way to keep tabs on your medical, dental, and vision benefit deductions, future retirement benefit, and life insurance deductions and coverage amounts.



## Upcoming Events

- 7 - Truman's birthday - MPERS' call center is open
- 11 - Pre-Retirement Webinar for Closed Plan and Year 2000 Plan Members.[Register here.](#)
- 20 - Mid-Career Checkup Webinar for Closed Plan and Year 2000 Plan Members.[Register here.](#)
- 31 - Deadline to Submit Step 1*Notice of Retirement* for July 1 Retirement



We value your feedback!

What would you like to see in ***The Pensioner: Looking Forward?***  
Send comments and suggestions to [Julie.West@mpers.org](mailto:Julie.West@mpers.org).